

ORIGINAL

NEW APPLICATION



0000133922

BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

GARY PIERCE, CHAIRMAN  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

Arizona Corporation Commission  
**DOCKETED**

DEC 28 2011

DOCKETED BY	<i>me</i>
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AZ CORP COMMISSION  
DOCKET CONTROL

2011 DEC 28 P 3:42

RECEIVED

IN THE MATTER OF THE APPLICATION  
OF TUSAYAN VENTURES, L.L.C., AN  
ARIZONA LIMITED LIABILITY  
COMPANY FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE WATER SERVICE IN  
COCONINO COUNTY, ARIZONA.

Docket No.

W-20828A-11-0475

**APPLICATION FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY**

Tusayan Ventures, L.L.C. ("T Ventures" or "Company"), by and through its undersigned counsel, submits this Application for a Certificate of Convenience and Necessity ("CC&N") to provide water service in an area in Coconino County, Arizona. In support of its Application, T Ventures provides the following information.

**IDENTIFICATION OF APPLICANT**

T Ventures is an Arizona limited liability company, and it is in good standing with the Commission's Corporations Division. A Certificate of Good Standing attesting to that effect is attached hereto as Appendix "A" and is incorporated herein by this reference.

**APPLICANT'S CONTACT PERSONS  
AND CONTACT INFORMATION**

1 The name of and contact information for T Ventures in connection with this Application is:

2 Thomas De Paolo  
3 7610 E McDonald Dr, Suite L  
4 Scottsdale, AZ 85250

5 The name and contact information for T Ventures attorney in connection with this  
6 Application is:

7 Garry Hays  
8 The Law Offices of Garry D. Hays  
9 1702 E Highland Avenue, Suite 204  
10 Phoenix, Arizona 85016

11 Company is currently interviewing applicants to be the certified operator for the water  
12 system/ onsite manager and will supplement this application upon hiring these positions.

13 The Company is an LLC with a single member, Medallion Ventures, Inc. ("Medallion"). The  
14 articles of organization for the Company is attached hereto as Appendix "B". Medallion is an  
15 Arizona Corporation with Federico Pelliccioli serving as President/CEO. T Ventures and  
16 Medallion do not currently have an ownership interest in any utility in Arizona.

17 **DESCRIPTION OF CIRCUMSTANCES**  
18 **OCCASIONING APPLICATION**

19 T Ventures is seeking to provide wastewater utility service to customers in Coconino  
20 County, Arizona. T Ventures currently serves no customers and has no operating plant. The  
21 proposed development to be served by T Ventures is owned by Stilo Development Group USA  
22 ("Developer"). Developer is developing two communities known as Ten X and Kotzin (the  
23 "Developments"). The Developer owns all of the land within T Ventures proposed service area  
24 and wants T Ventures to provide water service to the Developments. Therefore, Company is  
25 seeking approval of this Application.  
26  
27  
28

1                   **REQUEST FOR SERVICE AND NOTIFICATION OF MUNICIPALITY**

2           The Company has received a request for service from the Developer which is attached  
3 hereto as Appendix "C". The Developer has entered into a development agreement with the  
4 Town of Tusayan ("Tusayan" or the "Town") which is the only municipality within five miles  
5 of the proposed service area. The development agreement requires that an application for a  
6 CC&N be filed within thirty days of Tusayan approving the development agreement. Attached  
7 as Appendix "D" is an email from the Tusayan Town Attorney describing that the town requires  
8 this application to be filed and also that the town supports the approval of this application. As  
9 stated above, all the land in the proposed service area is owned by the entity requesting service.  
10 Notices required under A.A.C. R14-2-402(B)(3) are not necessary in for this application.  
11 Additionally, based upon Appendix "D", the Company does not believe that notices required  
12 under A.A.C. R14-2-402(B)(4) are required for this application.

13  
14                   **DESCRIPTION OF PROPOSED SERVICE AREA**

15           Attached as Appendix "E" are the legal descriptions and boundary surveys of the  
16 proposed area. Currently, the proposed area is in unincorporated Coconino County but, in  
17 accordance with the development agreement referenced above, the Town is moving forward on  
18 annexation.

19                   **TARIFFS**

20           Attached as Appendix "F" is the proposed tariff for the Company which the Company  
21 would request be approved contemporaneously in the event that a CC&N is granted.  
22 Additionally, attached as Appendix "G" is the proposed curtailment tariff for the Company.

23  
24                   **WASTEWATER PROVIDER**

25           The proposed service area for the Company is included in the boundary of a sanitary  
26 district, the South Grand Canyon Sanitary District ("SGCSD"). The Developer is currently in  
27 the process of working with SGCSD to provide wastewater service to the development.

1

2

## 3 **WATER CONSERVATION MEASURES**

4 Water is a scarce resource in Arizona. The area surrounding the Grand Canyon National  
5 Park is especially sensitive to water conservation and water usage. To that end, the Company  
6 will endeavor to adhere to as many of the best management practices ("BMPs") as is feasible for  
7 that area. The Company will also work with the Developer to reduce as much as possible the  
8 turfing areas, greenbelts and ornamental lakes to help with water conservation. The Company  
9 will also work with SGCSO to determine if effluent is available or if there are any other ways to  
10 encourage water conservation between the two utilities. Once operational, the Company will  
11 send out quarterly newsletters in the bills that will be solely focused on water conservation  
12 education.

12

## 13 **WATER FACILITIES, COSTS AND TIMELINE**

13 The Company is currently working with the Developer to finalize the description of the  
14 facilities to be built. The costs and the timeline for construction for those facilities cannot be  
15 determined until this is finalized. Once that occurs, this application will be supplemented with  
16 all the necessary information. It should be noted that the Company intends to build the facilities  
17 necessary with common equity and funds provided by the Developer in the form of Advances in  
18 Aid of Construction. Funds obtained from the Developer will be by means of line extension  
19 agreements or/or off-site facilities agreements approved by the Commission.  
20

21

## 22 **OTHER AGENCIES APPROVAL**

22 The Company is working with the Town to finalize a franchise which is contemplated for  
23 in the above referenced development agreement with the Developer. The Company is in the  
24 process of conducting an Analysis of Adequate Water Supply and will file with the Commission  
25 once it is available.  
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Based upon the discussion set forth above, T Ventures respectfully requests the Commission issue an Order granting the Company a CC&N to provide water service in the area legally and graphically described in Appendix E.

The original and thirteen (13) copies of the Application have been filed this 28<sup>th</sup> day of December 2011 with:

## By

*Garry D. Hays*  
1702 E Highland Ave. Suite 204  
Phoenix, AZ. 85016  
Attorney for Tusayan Ventures, L.L.C

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**Verification**

Thomas De Paolo, being first duly sworn upon oath, deposes and says the following: (1) that he is the Agent for Tusayan Ventures, LLC, (2) that he read the Application, and knows of the content therein; and (3) that the matters stated therein are true, except that as to those matters stated upon information and belief, which he believes them to be true.



Thomas De Paolo  
Agent  
Tusayan Ventures, LLC

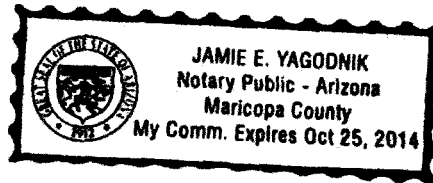
STATE OF ARIZONA                    )  
  ) ss.  
COUNTY OF MARICOPA            )

SUBSCRIBED AND SWORN to me this 28<sup>th</sup> day of December, 2011



NOTARY PUBLIC

My Commission Expires 10/23/14



# **APPENDIX “A”**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
**CERTIFICATE OF GOOD STANDING**

*To all to whom these presents shall come, greeting:*

*I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that*

**\*\*\*TUSAYAN VENTURES, LLC.\*\*\***

*a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 31st day of October 1995.*

*I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.*

*This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.*

**IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 27th Day of December, 2011, A. D.**



  
\_\_\_\_\_  
Executive Director

By: \_\_\_\_\_ 702365



# **APPENDIX “B”**

08/11/2008 11:58 FAX 02516182

SQUISH SANDERS DATE

AZ Corp. Commission



02516182

AZ CORPORATION COMMISSION  
FILED

AUG 11 2008

FILE NO. LO46M73-6AMENDED AND RESTATED  
ARTICLES OF ORGANIZATION  
OFTURAYAN VENTURES, LLC

1. The name of the limited liability company is Turayan Ventures, LLC.
2. The address of the registered office of the limited liability company in Maricopa County, Arizona is 7610 E. McDougal Dr., Ste. L, Scottsdale, AZ 85250.
3. The name and business address of the agent for service are Arizona Statutory Agent, LLC, 2601 N. 3<sup>rd</sup> Street, Suite 202, Phoenix, Arizona 85004.
4. Management of the limited liability company is reserved to a sole member. The name and address of the sole member are Medallion Ventures, Inc., 7610 E. McDougal Dr., Ste. L, Scottsdale, AZ 85250.
5. The latest date on which the limited liability company is to dissolve is December 31, 2025.

DATED: August 10, 2008.TURAYAN VENTURES, LLC,  
an Arizona limited liability companyBy: Medallion Ventures, Inc.  
Its: Sole MemberBy: Federico Pedraza  
Name: Federico Pedraza  
Title: President

06/11/2008 11:35 FAX 0022155125

BOUNCE SANDERS 1014

0003/003

**ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT**

ARIZONA STATUTORY AGENT, LLC, an Arizona limited liability company, hereby acknowledges its appointment as agent for service of process on Taseyan Ventures, LLC, an Arizona limited liability company, and hereby accepts such appointment.

Date: August 11, 2008.ARIZONA STATUTORY AGENT, LLC,  
an Arizona limited liability companyBy: Name: Scott Boyer  
Title: Manager

# **APPENDIX “C”**



December 28, 2011

Mr. Garry Hays, Attorney for Tusayan Ventures  
1702 E Highland Ave  
Suite 204  
Phoenix, Arizona 85016

RE: Request for Service

Stilo Development Group USA ("Stilo") hereby formally requests that Tusayan Ventures LLC ("Tusayan") to undertake such actions as may be necessary to enable Tusayan to be the lawful provider of water service to and within the 355 acres owned by Stilo in Coconino County known as Kotzin and Ten X.

Please advise in writing if Tusayan is interested in becoming the lawfully authorized provider. If that is the case, you may use this request for water service in connection with any approvals Tusayan must obtain from regulatory or permitting agencies.

Sincerely,

Thomas De Paolo  
Authorized Representative

# **APPENDIX “D”**

## Garry Hays

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**From:** Bill Sims [wjsims@lasotapeters.com]  
**Sent:** Tuesday, December 27, 2011 2:29 PM  
**To:** Garry Hays  
**Subject:** FW: CC&N -- Kotzin and Ten X Parcels

Gary:

As you know, your client , Stilo Development Group USA has entered into a Pre-Annexation and Development Agreement with the Town of Tusayan. I write in my capacity as the Town Attorney to confirm that the terms of the Development Agreement require your client to apply for a CC&N for Kotzin and TenX – parcels that are subject to the Development Agreement. Not only does the Town consider such an application an obligation of Stilo under the Development Agreement, the Town Council supports such efforts, as required by the Development Agreement.

Bill  
Tusayan Town Attorney

# **APPENDIX “E”**



### **Kotzin Property – Legal Description**

A parcel of land located in portions of Sections 14 and 23, Township 30 North, Range 2 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, more particularly described as follows:

Commencing at a found BLM Brass cap at the Southwest corner of said Section 14;

Thence North 89 degrees 39 minutes 09 seconds East along the south line of said Section 14, a distance of 652.84 feet to the Point of Beginning;

Thence North 00 degrees 02 minutes 12 seconds East, a distance of 1642.98 feet;

Thence North 89 degrees 36 minutes 11 seconds East a distance of 652.60 feet;

Thence North 00 degrees 04 minutes 09 seconds East a distance of 985.46 feet;

Thence North 89 degrees 35 minutes 01 seconds East a distance of 326.12 feet;

Thence North 00 degrees 00 minutes 56 seconds East a distance of 659.66 feet;

Thence North 89 degrees 29 minutes 34 seconds East a distance of 326.50 feet;

Thence North 00 degrees 03 minutes 14 seconds East a distance of 329.80 feet;

Thence North 89 degrees 30 minutes 38 seconds East a distance of 651.88 feet;

Thence North 89 degrees 29 minutes 03 seconds East a distance of 326.57 feet;

Thence South 00 degrees 00 minutes 06 seconds West a distance of 659.78 feet;

Thence South 89 degrees 21 minutes 12 seconds West a distance of 326.88 feet;

Thence South 00 degrees 00 minutes 38 seconds East a distance of 329.67 feet to the Center corner of Said Section 14;

Thence South 00 degrees 03 minutes 08 seconds West a distance of 1316.02 feet;

Thence South 00 degrees 00 minutes 47 seconds West a distance of 657.67 feet;

Thence North 89 degrees 14 minutes 13 seconds East a distance of 655.43 feet;

Thence South 00 degrees 02 minutes 12 seconds West a distance of 663.59 feet to a point on the south line of said Section 14, from which the South quarter corner bears South 89 degrees 45 minutes 16 seconds West a distance of 655.10;

Thence South 02 degrees 07 minutes 23 seconds East into Section 23 a distance of 328.93 feet;

Thence South 89 degrees 41 minutes 34 seconds West a distance of 2624.86 feet;

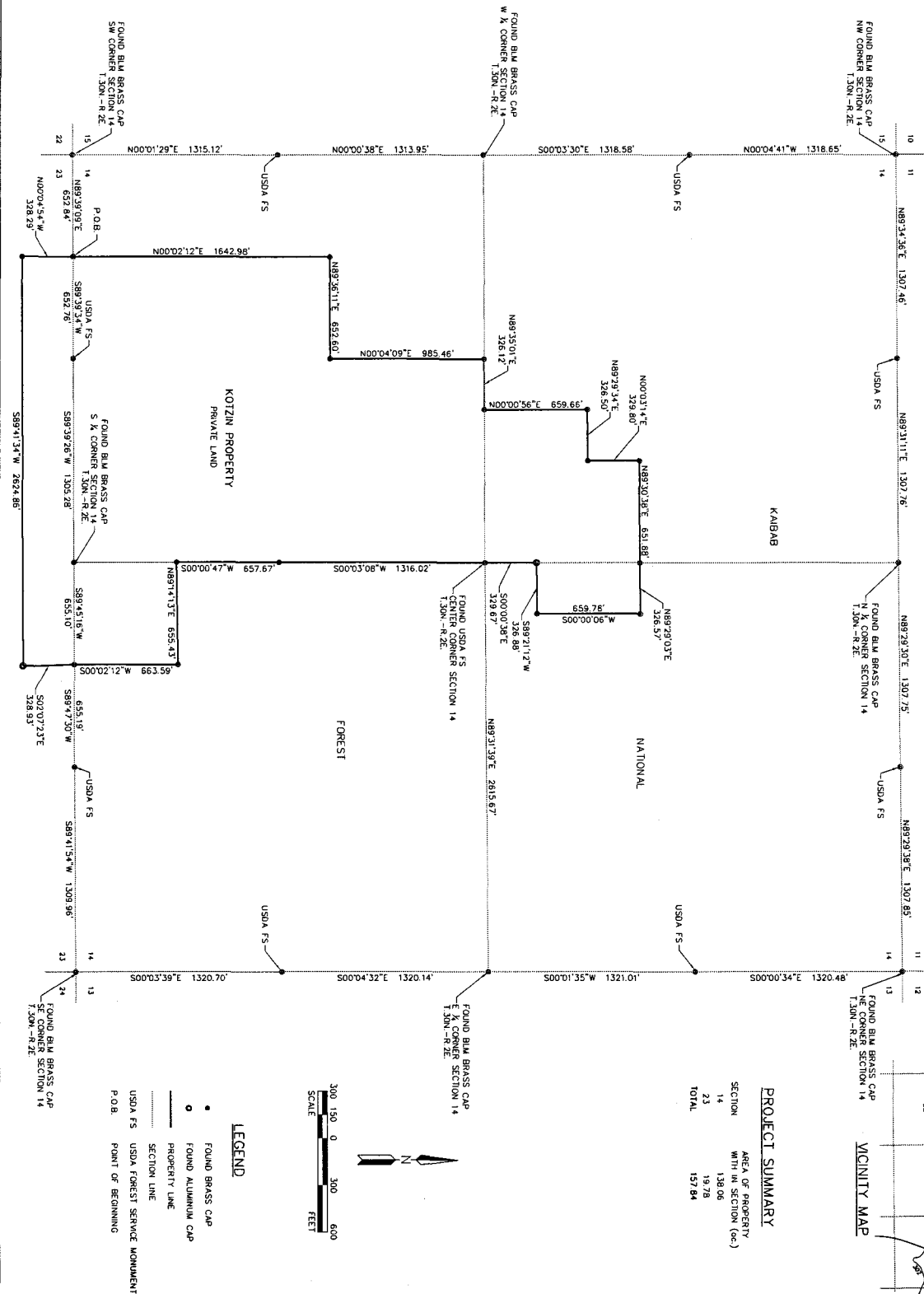
Thence North 00 degrees 04 minutes 54 seconds West a distance of 328.29 feet to the Point of Beginning;

Described parcel comprises an area of 6,875,619 Sq. Ft. or 157.84 Ac, more or less.

Prepared by Vantage Resources, LLC, on February 28, 2011.

# KOTZIN PROPERTY - RESULTS OF SURVEY

SITUATED IN SECTIONS 14 & 23, TOWNSHIP 30 N, RANGE 2 E  
OF THE GILA & SALT RIVER BASE & MERIDIAN,  
COCONINO COUNTY, ARIZONA



### **Ten X Property – Legal Description**

A parcel of land located in portions of Sections 28, 29, 33 and 34, Township 30 North, Range 3 East, and Sections 3 and 4, Township 29 North, Range 3 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, more particularly described as follows:

Commencing at a found BLM Brass cap at the Southeast corner of said Section 33, from which the South quarter corner bears South 89 degrees 46 minutes 52 seconds West a distance of 2634.87 feet;

Thence along said south line of said Section 33 South 89 degrees 46 minutes 52 seconds West a distance of 125.36 feet to the Point of Beginning;

Thence South 61 degrees 42 minutes 41 seconds West a distance of 792.85 feet;

Thence North 19 degrees 24 minutes 03 seconds West a distance of 368.29 feet;

Thence continuing North 19 degrees 24 minutes 03 seconds West a distance of 2539.89 feet;

Thence North 60 degrees 31 minutes 42 seconds West a distance of 1016.82 feet;

Thence North 0 degrees 14 minutes 35 seconds East a distance of 1078.41 feet;

Thence North 89 degrees 48 minutes 03 seconds West a distance of 660.14 feet;

Thence North 0 degrees 10 minutes 58 seconds East a distance of 331.25 feet;

Thence North 89 degrees 42 minutes 00 seconds West a distance of 330.26 feet;

Thence North 0 degrees 12 minutes 43 seconds East a distance of 331.79 feet;

Thence North 89 degrees 42 minutes 43 seconds West a distance of 330.64 feet;

Thence North 0 degrees 10 minutes 31 seconds East a distance of 330.27 feet;

Thence North 89 degrees 43 minutes 33 seconds West a distance of 992.05 feet;

Thence North 0 degrees 13 minutes 40 seconds East a distance of 330.11 feet;

Thence North 0 degrees 11 minutes 27 seconds East a distance of 338.26 feet;

Thence South 89 degrees 09 minutes 55 seconds West a distance of 329.78 feet;

Thence North 0 degrees 06 minutes 22 seconds East a distance of 330.27 feet;

Thence North 89 degrees 49 minutes 35 seconds West a distance of 990.73 feet;

Thence North 0 degrees 05 minutes 48 seconds East a distance of 661.90 feet;

Thence North 89 degrees 50 minutes 43 seconds West a distance of 330.14 feet;

Thence North 0 degrees 10 minutes 08 seconds East a distance of 662.69 feet;

Thence South 89 degrees 47 minutes 54 seconds East a distance of 1321.46 feet;

Thence South 0 degrees 08 minutes 37 seconds West distance of 661.80 feet;

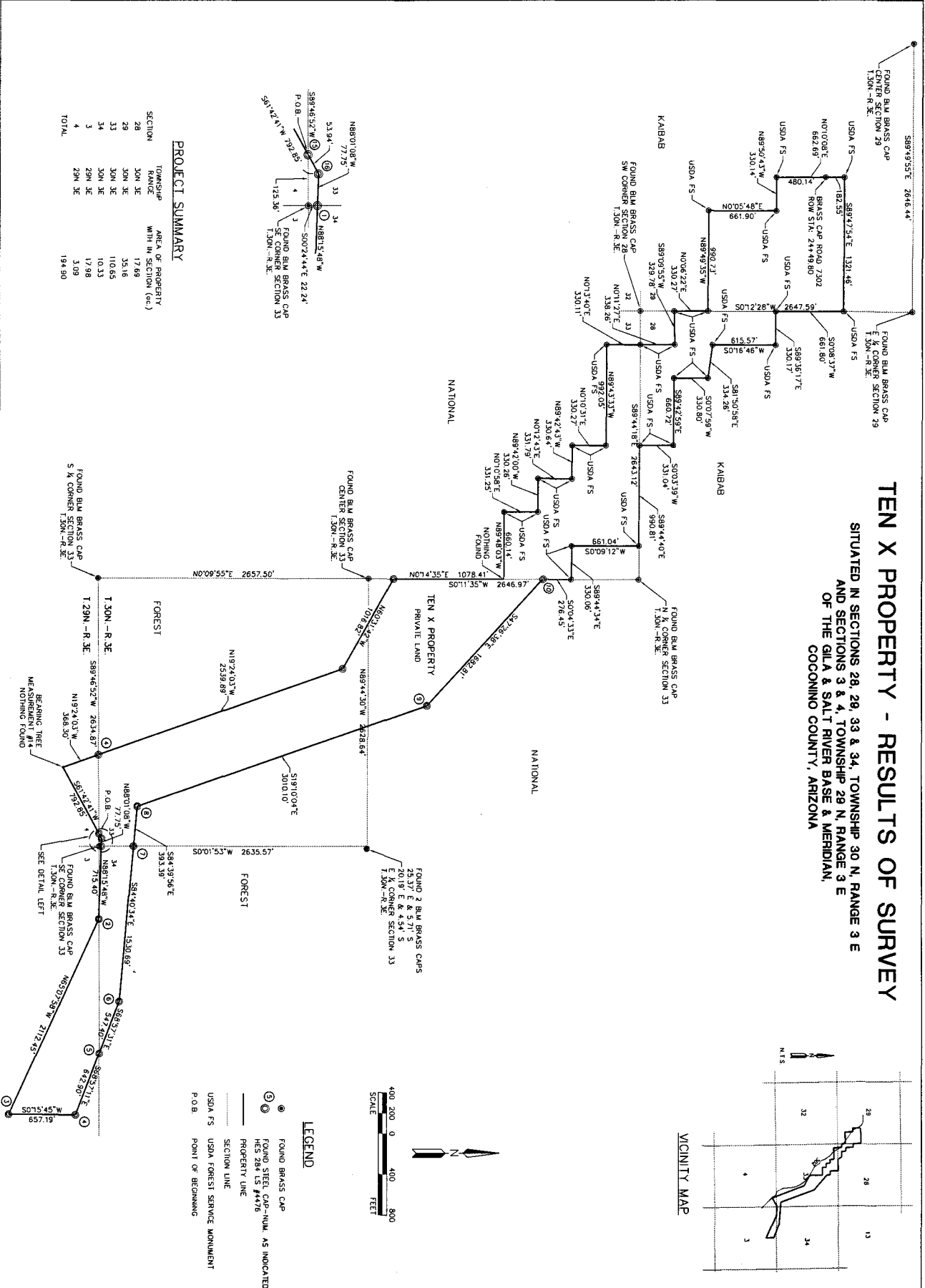
Thence South 89 degrees 36 minutes 17 seconds East a distance of 330.17 feet;  
Thence South 0 degrees 16 minutes 46 seconds West a distance of 615.57 feet;  
Thence South 81 degrees 50 minutes 58 seconds East a distance of 334.26 feet;  
Thence South 0 degrees 07 minutes 59 seconds West a distance of 330.80 feet;  
Thence South 89 degrees 42 minutes 59 seconds East a distance of 660.72 feet;  
Thence South 0 degrees 03 minutes 39 seconds West a distance of 331.04 feet;  
Thence South 89 degrees 44 minutes 40 seconds East a distance of 990.81 feet;  
Thence South 0 degrees 09 minutes 12 seconds West a distance of 661.04 feet;  
Thence South 89 degrees 44 minutes 34 seconds East a distance of 330.06 feet;  
Thence South 0 degrees 04 minutes 33 seconds East a distance of 276.45 feet;  
Thence South 47 degrees 26 minutes 38 seconds East a distance of 1682.81 feet;  
Thence South 19 degrees 10 minutes 04 seconds East a distance of 3010.10 feet;  
Thence South 84 degrees 39 minutes 56 seconds East a distance of 393.39 feet;  
Thence South 84 degrees 40 minutes 34 seconds East a distance of 1530.69 feet;  
Thence South 68 degrees 57 minutes 31 seconds East a distance of 547.40 feet;  
Thence South 68 degrees 57 minutes 11 seconds East a distance of 642.90 feet;  
Thence South 0 degrees 15 minutes 45 seconds West a distance of 657.19 feet;  
Thence North 65 degrees 07 minutes 58 seconds West a distance of 2112.45 feet;  
Thence North 88 degrees 15 minutes 48 seconds West a distance of 715.40 feet;  
Thence North 88 degrees 01 minutes 08 seconds West a distance of 77.75 feet to the Point of Beginning;

Described parcel comprises an area of 8,489,986 Sq. Ft. or 194.90 Acres, more or less.

Prepared by Vantage Resources, LLC, on February 28, 2011.

# TEN X PROPERTY - RESULTS OF SURVEY

SITUATED IN SECTIONS 28, 29, 33 & 34, TOWNSHIP 30 N, RANGE 3 E  
AND SECTIONS 3 & 4, TOWNSHIP 29 N, RANGE 3 E  
OF THE GILA & SALT RIVER BASE & MERIDIAN,  
COCONINO COUNTY, ARIZONA



# **APPENDIX “F”**

Tusayan Ventures, L.L.C.  
WATER TARIFF SCHEDULE

Page 1

PROPOSED RATES

LINE  
NO.

	<u>MONTHLY MINIMUM</u>	<u>GALLONS IN MINIMUM</u>
1 <u>METER SIZE</u>		
2		
3 MONTHLY MINIMUMS:		
4 5/8 x 3/4 And	\$ 10.00	1,000
5 3/4	\$ 10.00	1,000
6 1	\$ 75.00	3,000
7 1 1/2	\$ 100.00	3,000
8 2	\$ 150.00	3,000
9 5/8x3/4 and 3/4 are the only residential meters allowed for single family dwellings		
10 or multi family dwellings that are not on a master meter		
11		
12 RESIDENTIAL COMMODITY CHARGE PROPOSED RATES:		
13 1,001 - 10,000	\$ 7.00 per thousand gallons	
14 10,001 - 15,000	\$ 9.00 per thousand gallons	
15 15,001 and up	\$ 10.00 per thousand gallons	
16		
17 COMMERCIAL COMMODITY CHARGE PROPOSED RATES:		
18 3,001-10,000	\$ 25.00 per thousand gallons	
19 10,001 - 15,000	\$ 30.00 per thousand gallons	
20 15,001 and up	\$ 35.00 per thousand gallons	
21		
22 <u>All Meter Sizes and Classes, except Standpipe</u>		
23 Charge per 1,000 gallons for usage	All gallons	
24		
25		
26 Standpipe or bulk water per 1.000 gallons	All gallons	



**Tusayan Ventures, L.L.C.**  
**WATER TARIFF SCHEDULE**  
**STATEMENT OF CHARGES**

Page 2

**LINE  
NO.**

1						<b><u>Proposed</u></b>
2	A.	Establishment of Service per Rule R14-2-403.D			\$	25.00
3		Establishment of Service, after hours			\$	40.00
4		per rule R 14-2-403.D.2				
5	B.	Re-establishment of Service per Rule 14-2-403.D				see (a)
6	C.	Reconnection of service per Rule R 14-2-403.D.1			\$	25.00
7	D.	Charge for moving meter at customer request per				
8		Rule R14-2-405.B.5			@ cost	
9	E.	After hours service charge, per hour, R12-2-409.G			\$	40.00
10	F.	Minimum Deposit per Rule RR-14-2-403.B				
11	H.	Meter Reread per Rule R14-2-408			\$	15.00
12	I.	Charge for NSF Check per Rule R14-2-409.F.1			\$	15.00
13	J.	Later payment charge for delinquent bills				
14		as defined in Rule R14-2-409.C.1				1.50%
15	K.	Deferred Payment Finance Charge, R14-2-409.G				1.50%
16	L.	Service Line and Meter Installation per R14-12-405.B				
17			<b><u>Service Line</u></b>	<b><u>Meter</u></b>		<b><u>Total</u></b>
18		5/8 x 3/4 inch	\$ 385	\$ 135	\$	520.00
19		3/4 inch	\$ 385	\$ 215	\$	600.00
20		1 inch	\$ 435	\$ 255	\$	690.00
21		1 1/2 inch	\$ 470	\$ 465	\$	935.00
22		2 inch Turbo	\$ 630	\$ 965	\$	1,595.00
23						
24						
25	M.	Main Extension and additional facilities agreements,				
26		per Rule R14-2-406.B				
27	N.	All Revenue related taxes will be charged customers.				

**29 RULES AND REGULATIONS**

- 30 \*The Company has adopted the Rules and Regulations established by the Commission  
31 as the basis for its operating procedures. AAC R14-204-01 Through ACC R14-2-411  
32 will be controlling of Company procedures, unless specific Commission Orders provide otherwise.  
33 (a) Monthly minimum times months off the system  
34 (b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.  
35 (c) If meter is reading correct per rule.

# **APPENDIX “G”**

## TARIFF SCHEDULE

Utility: Tusayan Ventures LLC  
Docket No.:  
Phone No:

Tariff Sheet No.: 1 of 4  
Decision No.:  
Effective:

### **CURTAILMENT PLAN FOR TUSAYAN VENTURES, L.L.C.**

ADEQ PUBLIC Water System No.: \_\_\_\_\_

Tusayan Ventures, L.L.C. ("Company"), is authorized to curtail water service to all customers within its certified area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customers, upon request.

#### **Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

#### **Stage 2 Exists When:**

Unless the context otherwise requires, the definitions set forth in R14-2-401 of the Arizona Corporation Commission's rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Utility: Tusayan Ventures LLC  
Docket No.:  
Phone No:

Tariff Sheet No.: 2of 4  
Decision No.:  
Effective:

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside water on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

**Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, Company shall post at least 4 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Customer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Utility: Tusayan Ventures LLC  
Docket No.:  
Phone No:

Tariff Sheet No.: 3 of 4  
Decision No.:  
Effective:

Once Stage 3 has been reached, the Company must begin to augment the supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

**Stage 4 Exists When:**

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce water consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or and plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited
- The addition of new service lines and meter installations is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least 4 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.

Utility: Tusayan Ventures LLC  
Docket No.:  
Phone No:

Tariff Sheet No.: 3 of 4  
Decision No.:  
Effective:

3. Company shall notify the Customer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.